First Homeowners Boost

The Rudd Government has recently announced increased help for Australians wanting to buy their first home.

The First Home Owners Boost doubles the existing First Home Owners Grant on existing homes and triples the existing grant for newly built homes. This is a time limited measure. This is part of the Government’s $10.4 billion Economic Security Strategy

Buying a newly built home

First home buyers who sign contracts to purchase a newly built home between 14 October 2008 and 30 June 2009 will now be eligible for a one off payment of $21,000.

For people purchasing newly built homes, this means entering into a contract to build or buy a house. The house may be built on land that has already been purchased.

The increased amounts for newly built houses will be payable where:

■ Building commences within 24 weeks of signing the contract;
■ Building is complete within 18 months of the commencement of building.

A newly built home is a home that never been sold before, nor occupied by any person. This includes:

■ Contracts to build a home on land already purchased;
■ Homes bought off the plan;
■ Purchase of homes that have been built but never sold or occupied.

Eligibility criteria remain the same as for the current First Home Owners Grant. The current eligibility requirements are:

■ Must be at least 18 years of age.
■ Must be an Australian citizen or permanent resident
■ The applicant (or applicant’s spouse) must not have previously owned their own home.
■ Must live in the home for at least a continuous period of 6 months, within 12 months after completion of the eligible transaction.

The FHOB will be administered by State and Territory Governments, just like the existing First Home Owners Grant.

State and Territory Governments will have systems established to process applications under the new rules as soon as possible. Relevant departments in State and Territory Governments will make final decision on individual applications.

For a newly established house, the FHOB (and FHOG) is paid in a lump sum to the first home buyer upon completion, that is, when a certificate of occupancy is provided.

Buying an existing home

First home buyers who sign contracts to purchase an existing home between 14 October 2008 and 30 June 2009 will now be eligible for a one off payment of $14,000.

For people buying an existing home, this means entering into a contract to buy a home usually known as the exchange of contracts.

Eligibility criteria remain the same as for the current First Home Owners Grant. The current eligibility requirements are:

■ Must be at least 18 years of age.
■ Must be an Australian citizen or permanent resident
■ The applicant (or applicant’s spouse) must not have previously owned their own home.
■ Must live in the home for at least a continuous period of 6 months, within 12 months after completion of the eligible transaction.

The FHOB will be administered by State and Territory Governments, just like the existing First Home Owners Grant.

State and Territory Governments will have systems established to process applications under the new rules as soon as possible. Relevant departments in State and Territory Governments will make final decision on individual applications.

For an established house, the FHOB (and FHOG) is paid in a lump sum upon settlement.

For more information on the Rudd Labor Government’s $10.4 billion Economic Security Strategy please go to www.alp.org.au

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